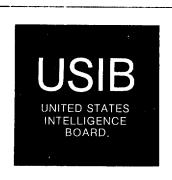
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State Dept. review completed

DIA review(s) completed.

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LEBANON

Key Muslim and Christian leaders met separately over the weekend to review the major ingredients in the Syrian-proposed political settlement prior to the meeting between President Franjiyah and Syrian President Asad in Damascus this week.

The discussions centered, predictably, on the future status of the Palestinian guerrillas in Lebanon and on guarantees of Christian political rights, including Maronite control of the presidency. Nothing was decided, nor were any decisions expected prior to Franjiyah's talks with Asad.

Christian leaders have expressed satisfaction with Syria's public assurances that it will ensure the Palestinians' compliance with the agreements regulating their activities in Lebanon. The Muslims, in turn, have raised no objection to retaining the tradition of a Maronite presidency, although there is no agreement over how this principle is to be upheld.

The main discordant note continues to be struck by leftist spokesman Kamal Jumblatt. Jumblatt accused the Christians over the weekend not only of dragging their feet on negotiations but of planning to resume hostilities next spring. The US embassy comments, however, that the Christians' haggling over details does not appear to be a major obstacle to a settlement. Rather, it seems to be a face-saving effort on their part to justify bowing to Syrian pressure and accepting Damascus' package of political reforms.

The efforts of the higher military committee to implement the cease-fire went relatively smoothly over the weekend, with one notable exception. On Saturday

relatively smoothly over the weekend, with one notable exception. On Saturday night, Saiqa forces stormed and set fire to two pro-Iraqi newspapers in Beirut on the pretext that the forces had been fired on from the newspaper offices. The chief editor of one of the newspapers reportedly was kidnaped and later killed. The attack was quickly condemned by the other members of the PLO.

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TURKEY-CYPRUS

The Turkish army announced on Saturday that it will begin withdrawing 2,000 troops from Cyprus this week.

The announcement, which comes less than two weeks before a visit to Washington by the Turkish foreign minister and within three weeks of the resumption of peace talks between the Greek and Turkish Cypriot communities, apparently is aimed primarily at impressing Congress.

According to the Turks, 10,000 troops already have been withdrawn from Cyprus since the invasion in 1974, bringing the current strength level on the island to around 30,000. This figure is in line with US estimates, but we do not believe that Turkish forces on Cyprus have been reduced by 10,000 men since 1974.

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NATO

The European members of NATO plus France meet in Rome today for two days of exploratory talks on European arms cooperation.

The goal of the talks is to reach agreement on a common approach to weapons procurement and manufacture in Europe. Then the Europeans want to try to persuade the US to increase its purchase of European arms under the "two-way street" concept endorsed by the US.

The meeting is being held outside NATO auspices, largely in order to satisfy French objections to association with the Alliance's integrated military command. The other Allies share France's desire to develop a competitive European arms industry and realize that success in such a venture requires the cooperation of France's large arms industry. As a result, the recent NATO initiative on trans-Atlantic arms standardization is now marking time in Brussels, awaiting the outcome of the Europeans' efforts to "put their own house in order."

In addition to the European concern over losing an independent arms-manufacturing capability, there has been a growing perception of the need to define and protect Europe's security interests in an era of force-reduction negotiations.

The differing policy interests of the Allies suggest that it will be difficult for them to reach agreement in time for the meeting in May of the NATO foreign ministers. The Germans, for example, are interested in a long-range accord which will enhance the development of European integration. This objective is generally resisted by the British, who want an early increase in arms sales to help them out of their economic difficulties.

The French, meanwhite, decided to join the effort merely to enhance the sale
of their arms in Europe. They must proceed cautiously because of heavy domestic
opposition to any suggestion that they may be abandoning an independent defense
policy.

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DENMARK

Negotiations on a new interparty Danish defense agreement, designed to remove defense from politics, are to begin soon, with parliamentary approval expected in March.

The important features of the current agreement, which expires next year, probably will be preserved in the new pact. The hard bargaining will be over spending levels. The Danes realize that their spending level is among the lowest in the Alliance, but economic troubles and the relatively high unemployment rate may preclude an increase in funding.

The final defense package will determine the level of spending for the next four, six, or eight years, depending on the duration of the new agreement. The defense budget will be linked to cost-of-living fluctuations, and any changes in defense policy must be approved unanimously by the sponsoring parties.

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recently that it is important to move quickly while majority backing is assured.													
Defense Minister Moller supports the agreement, but he is in trouble politically and													
may	be	forced	to	resign.	١t	is	feared	his	successor	might	not	back	it.

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ALGERIA-MOROCCO

A high official in the Algerian Foreign Ministry told the US ambassador on Saturday that Algeria's main diplomatic effort toward gaining a settlement in Sahara will be made through the UN.

The official said Algiers wants UN Secretary General Waldheim "to work for a referendum" in Sahara. Waldheim reportedly has named an investigator to be sent to the area.

The Algerian Foreign Ministry official said that his government wants a political solution; if it wanted war, he said, Algiers would have reinforced the unit that was attacked in the Sahara last week.

The Algiers press reports that special emissaries from Egypt, Syria, Iraq, and Tunisia have suggested an urgent meeting of Arab foreign ministers to deal with the dispute, but the Algerian official said the Boumediene government does not believe the Arab mediation effort will produce significant Moroccan concessions.

Meanwhile, press reports from Algeria over the weekend claimed that Algerian-backed Polisario guerrilla forces had begun laying siege to several Moroccan and Mauritanian positions and were assaulting the Moroccan-held town of Semara, midway between the coast and the Algerian border in northern Sahara. Semara is strongly garrisoned, and Polisario forces are unlikely to be capable of carrying out more than harassing attacks around the town.

The Moroccans have	e not confirmed any fresh attacks, but a Moroccan military
spokesman charged that	Algerian regular units are now controlling several towns in
northeastern Sahara, inc	luding Mahbes and Tifariti, and are also in control of parts
of northern Mauritania.	

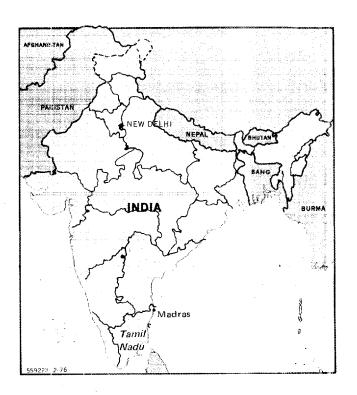
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INDIA

Prime Minister Gandhi's imposition of central rule Saturday on the southern state of Tamil Nadu—one of two states not ruled by her Congress Party—was intended to underscore her determination to brook no opposition to government policies.

The leaders of the Tamil Nadu government had opposed the state of emergency imposed by her and had enforced its provisions loosely. In addition to dissolving the state government and dismissing the assembly, New Delhi has placed a two-week ban on meetings, processions, and demonstrations in the state.



Prior to Gandhi's move, the state had been headed by the Dravidian Progressive Federation, a regional party based on the loyalties of the Tamil-speaking people of the south. Federation leaders seem inclined to avoid any violent reaction to direct rule. They apparently recognize that agitation could prompt Gandhi to ban the party, jail party officials, or take other measures. Party leaders, however, plan to continue holding meetings. Their first test of the government's ban could come tomorrow when the federation traditionally commemorates the death of its founder.

Should Gandhi clamp down on the party, she would risk whipping up traditional separatist and antigovernment sentiment among the Tamil people, possibly resulting in violence. The Tamils have long resented what they consider to be domination and discrimination from the north.

According to the US consul in Madras, the state capital, there are no signs of disturbances in the city. Nevertheless, hundreds of Federation members reportedly have been arrested, and seven army platoons have been flown to Madras to reinforce the police.

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